

CORRECTED FISCAL NOTE

HB 2571 - SB 2650

January 28, 2008

SUMMARY OF BILL: Deletes the current definition of “AMA Guides” as such definition applies to workers’ compensation. Current law states that such guide is the most recent edition of the *American Medical Association Guides to the Evaluation of Permanent Impairment*. This bill replaces that definition and states that “AMA Guides” means the 5th edition of the *American Medical Association Guides to the Evaluation of Permanent Impairment*.

ESTIMATED FISCAL IMPACT:

On January 28, 2008 we issued a fiscal note on this bill which indicated an *increase in state expenditures exceeding \$100,000*.

The corrected fiscal impact is:

(CORRECTED)

Increase State Expenditures – Exceeds \$100,000

Increase Local Gov’t. Expenditures* – Exceeds \$100,000

Assumptions:

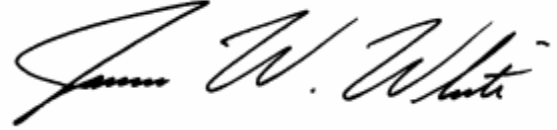
- The 5th edition of the *American Medical Association Guides to the Evaluation of Permanent Impairment* is more generous to claimants than the 6th edition. As a result, there is estimated to be an increase in state and local government expenditures exceeding \$100,000 due to increased payouts to claimants from continuing to use the 5th edition.
- The total amount of permanent disability payouts by the state based upon workers’ compensation claims in Tennessee in 2007 was approximately \$6,400,000.
- The 6th edition of the *American Medical Association Guides to the Evaluation of Permanent Impairment* was released in December 2007 and the precise impact of its application in Tennessee is still being evaluated.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive, flowing style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/cce